

**MULTIPURPOSE NOTE AND SECURITY AGREEMENT**

Borrower: "I", "Me" and "My" Means Each Borrower Below Jointly and Severally

Lender: "You" and "Your" Means The Lender, its Successors and Assigns

Living The Dream-Independent Living For Seniors, Inc.

Bank of Putnam County

1225 South Willow Avenue  
Cookeville, TN 38508140 South Jefferson Ave.  
Cookeville, TN 38501  
(931)-628-6441

Office No.	GBW
Customer No.	425
Loan No.	
Renewal of	
Loan Date	October 25, 2010
Maturity Date	July 25, 2011
Loan Amount	\$731,000.00
Dollars (\$	\$731,000.00)

NOTE: For value received, I promise to pay to you, or any other holder, at the address above, the principal sum of: Seven Hundred Thirty One Thousand and 00/100  
together with interest at the rate of interest as provided below.

- ☐ **Single Advance:** I will receive all of this principal sum at one time. No additional advances will be made under this Note.
- ☒ **Multiple Advance:** The principal sum shown above is the maximum amount of principal I can borrow under this Note. Future principal advances are contemplated.
- ☒ **Conditions:** The conditions for future advances are BASED ON THE DOCUMENTS EXECUTED ALONG HERewith

- ☐ **Open-End Credit:** You and I agree that I may borrow up to the maximum amount of principal more than one time. This option is subject to all other conditions and expires no later than \_\_\_\_\_

- ☒ **Closed-End Credit:** You and I agree that I may borrow up to the maximum amount of principal only one time (and subject to all other conditions).

**INTEREST:** Interest will accrue on a Actual/365 Day basis. I agree to pay interest on the principal balance owing from time to time as stated below. Each advance made to me under the terms of this Note will earn interest only from the date that I receive the advance. As provided for in this Note, the interest rate will apply to the outstanding principal balance that I owe. The amount of interest charged by you will not exceed the maximum rate of interest allowed by law.

- ☒ **Fixed Rate:** I agree to pay interest at the simple rate of 5.000 % per year, from 10/25/2010 until paid in full.
- ☐ **Variable Rate:** I agree to pay interest from \_\_\_\_\_ at the initial simple rate of \_\_\_\_\_ % per year. This rate may change as stated below.

**PAYMENTS:** I agree to pay this Note as follows:

This note is payable in 8 payments of all accrued interest monthly beginning November 25, 2010, plus a final payment consisting of the full amount of principal, all accrued interest, charges and fees remaining due and payable on July 25, 2011. e means estimated

**POST MATURITY INTEREST:** Interest will accrue after maturity on the unpaid principal balance of this Note on the same basis as interest accrues prior to maturity, unless a specific post-maturity interest rate is agreed to in the next sentence.

- ☐ If checked, interest will accrue at the rate of \_\_\_\_\_ % per year on the unpaid principal balance of this note not paid at maturity, including maturity by acceleration. Borrower and Lender agree that any charges for failure to repay principal at maturity are not a penalty or interest, but are intended to compensate the Lender for expenses arising from such delinquency or default.

- ☒ **LATE CHARGE:** IF MY PAYMENT IS MORE THAN 15 DAYS LATE, I WILL PAY A LATE CHARGE EQUAL TO 5.000 % OF THE PAYMENT AMOUNT UP TO \$100.00.

☐ **ADDITIONAL CHARGES:**

In addition to accrued interest, I agree to pay the following charges: \_\_\_\_\_

and these charges ☐ are ☐ are not included in the Loan Amount.

**ADDITIONAL TERMS:**

**SECURITY:** I give you a security interest in the property described below to secure the obligations of this Loan:

GENERAL COLLATERAL AGREEMENT DATED 10/26/2010 EXECUTED BY LIVING THE DREAM-INDEPENDENT LIVING FOR SENIORS, INC.

- ☒ If checked, this Note is secured by a separate:

GENERAL COLLATERAL AGREEMENT DATED 10/26/2010 EXECUTED BY LIVING THE DREAM-INDEPENDENT LIVING FOR SENIORS, INC.

- ☒ **ALL DEBTS - THE ABOVE PROPERTY WILL ALSO SERVE AS SECURITY FOR ALL OF MY PRESENT AND FUTURE DEBTS TO YOU.**

**THE PURPOSE OF THE LOAN IS:** To construct homes for the elderly to be located @ 1125 Dear Creek Drive, Cookeville, TN. 38501

## ADDITIONAL TERMS OF THE NOTE AND SECURITY AGREEMENT

### I ALSO AGREE TO THE FOLLOWING TERMS:

- 1. DEFINITION:** "Loan" means this Note, Security Agreement, and Truth in Lending Disclosure, regardless of whether provided as an integrated document or separate documents; and any document referred to in the Note, Security Agreement, or Truth in Lending Disclosure is hereby incorporated by reference and made a part of the Loan. It also means any extensions, renewals, modifications, or substitutions of this Loan.
- 2. PAYMENT:** Unless specifically stated otherwise in the payment of the Note, each payment I make will be applied first to any charges, costs, fees, or expenses I owe other than principal and interest, then to interest that is due, and finally to unpaid principal.
- 3. MY OBLIGATION:** I understand and agree that my obligation to pay this Loan is separate and independent of any other person's obligation to pay it. I will still be obligated to pay this Loan even if you release any other person who has agreed to pay, extend new credit or renew or modify this Loan, or relinquish any right(s) you may have against me or any other person obligated to pay this Loan.
- 4. MATURITY:** For purposes of this note the term "maturity" shall mean the following:
- If the note is a "demand" note, the date you make your demand or the date that payment of the note is accelerated by you, whichever is earlier;
  - If the note is a "demand" note, with a stated alternate maturity date, the date of your demand or the alternative maturity date or the date that you accelerate payment of the note, whichever date is earlier; or
  - In all other cases, the date set for the last regularly scheduled payment of principal or the date that you accelerate payment of the note, whichever date is earlier.
- 5. SET-OFF:** You have the right to set-off my deposit accounts and any other rights that I may have to receive the payment of money from you. You may exercise your right of set-off without notice to me and without regard to the type or value of collateral or the existence of any guaranty or other agreement to pay this note. You will not be responsible for the dishonor of any check when that dishonor occurs as a result of your exercise of the right of set-off against my account.
- 6. PURCHASE MONEY SECURITY INTEREST:** With respect to purchase money security interest arising under this security agreement:
- Payments made on non-purchase money loans secured by this agreement will not be deemed applicable to any purchase money loans, and
  - Payments made on any purchase money loan will be applied first to any non-purchase money portion of said loan, with the remaining balance to be applied to the purchase money obligations in the order in which the items of collateral were acquired. A purchase money loan means a loan used in whole or in part to acquire the collateral which secures the loan and any extension, renewal, consolidation or refinancing of such loans.
- 7. ADDITIONAL SECURITY AND INDEBTEDNESS:** In addition to the collateral described on the face hereof, this Loan is secured by any additions, repairs, replacements, accessions, products or proceeds, including proceeds of any insurance payable as a result of loss or damage to the collateral, and any similar acquired collateral of the type specified. However, the security interest shall not attach to household goods not purchased with the proceeds of this loan or to other after-acquired consumer goods, with the exception of accessions, unless such after-acquired consumer goods are acquired within ten (10) days after you make this loan. Each present or future agreement securing debt I owe you will also secure the payment of this Loan, unless: (1) the property securing other debt is my principal dwelling and you fail to provide me and all other persons with ownership interest in the dwelling with a required notice of the right to rescind; or (2) the property securing other debt is in household goods.
- 8. WARRANTY OF TITLE:** I warrant to you that I own the collateral free and clear of liens or security interests, other than the security interest created hereunder and I will defend the collateral against any asserted claims or demands by other parties.
- 9. COLLATERAL INSURANCE:** I agree at all times to keep the collateral insured against all insurable hazards in amounts equal to the full cash value of the collateral. Such insurance shall be in such companies as may be acceptable to you, with provisions satisfactory to you for payment of all losses thereunder to you as your interest may appear, and, if required by you, I will deposit the policies with you. Any money received by you under said policies may be applied to the payment of any indebtedness secured hereby, whether or not due and payable, or at your option may be delivered by you to me for the purpose of repelling or restoring the collateral. I hereby assign to you all right to receive proceeds of insurance not exceeding the amounts secured by my loan, direct any insurer to pay all proceeds directly to you, and appoint you as my attorney-in-fact to endorse any draft or check made payable to me in order to collect the benefit of any such insurance.
- If I fail to keep the collateral insured as required by you, or if I fail to furnish to you evidence of such insurance, I will be in default, and you may, at your option and discretion, and in addition to your other remedies at law, in equity or by contract, purchase such insurance. Provided, however, you are not obligated to pay any insurance premiums or carry any form of insurance on the collateral. If you purchase such insurance, I agree to reimburse you for the premium, plus accrued interest. My obligation to reimburse you for the purchase of such insurance shall be secured by the collateral, and shall bear interest at the simple interest rate set forth in my loan documents or in effect at the time you purchase the insurance. At your option, I agree to either reimburse you on demand for the premium paid by you to purchase such insurance, to pay said sums in any manner of installments required by you in connection with the remaining payments outstanding pursuant to this my loan, to pay as a balloon payment at the maturity of my loan or to allow you to extend the maturity of my loan in order to provide for my reimbursement of you for the payment of the premium for such insurance. However, your action to reschedule my payments to provide for reimbursement of the premium you paid for such insurance shall not create a new obligation or satisfy or replace my original obligation, but shall be simply a continuation of my original obligation.
- I understand the insurance that you purchase WILL NOT provide any form of liability insurance for my benefit or anyone claiming through me. You may obtain this insurance through one or more companies, other than the insurance company used by me and such insurance will generally be more expensive than the insurance coverage I could voluntarily obtain from another insurance company.
- If I obtain the required insurance on the collateral after you have purchased insurance hereunder, and I furnish to you satisfactory evidence that such insurance has been purchased, I will be entitled to a refund of the unused portion of the premium for the insurance you purchased, calculated from the effective date of the required insurance that I purchase on the collateral.
- I authorize you to forward any information that you deem necessary to third parties performing services incidental to your rights and duties under this Loan, including but not limited to insurance monitoring and placement services.
- 10. PRESERVATION OF COLLATERAL:** I will preserve and maintain the collateral and keep the collateral in good condition and repair and will allow you to inspect the collateral at any time. If I fail to pay any charges that I am obligated to pay to preserve or protect the secured property, I authorize you to make these payments on my behalf and add these payments to the unpaid principal balance of this note. These payments will then be secured by the property.
- 11. TAXES:** I will pay all taxes and other encumbrances on the collateral promptly, and I will otherwise maintain the collateral free and clear of any liens, encumbrances or other security interests.
- 12. SALE OF COLLATERAL (AND ASSUMPTION):** I will not sell, convey, lease or otherwise transfer the collateral or any part of it without first obtaining written consent from you. Unless you otherwise agree in writing, this Loan cannot be assumed by any person. If I attempt to transfer any interest in the collateral, including possession, I will be in default of this Loan.
- 13. DEFAULT:** I will be in default of this Loan if any of the following events occur:
- I fail to make a required payment when due;
  - I breach any promise I have made to you under the terms of this note, the security agreement (if applicable) or any other loan or agreement with you;
  - Any representation, warranty, promise or statement that I have made to you proves to be (or at the time it was made or given was) materially false or incorrect;
  - I die, become insolvent, or initiate bankruptcy or similar proceedings, or am adjudged a bankrupt;
  - Any of my property in which you have lien or security interest is attached or otherwise taken by another creditor, including any garnishment of my accounts with you;
  - I fail to maintain insurance covering the collateral;
  - The maturity of any indebtedness I owe to others is accelerated as a result of the occurrence of a default under this or any other agreement;
  - You at any time believe that the prospect for repayment for any portion of the indebtedness secured hereby is significantly impaired.
- 14. LENDER'S REMEDIES:** Upon default, you may at your option, do one or more of the following:
- You may, without notice, accelerate the maturity date of this note and require that all unpaid charges, interest and principal balances be immediately due and payable;
  - You may exercise your right of set-off against any right I have to receive payment of money from you;
  - You may exercise any rights or remedies you have under any other agreement which secures this note;
  - You may demand additional security or obligors to insure repayment of this note.
- 15. REMEDIES UNDER THE SECURITY AGREEMENT:** If I default, you may exercise all of the rights and remedies available to a secured creditor under the Uniform Commercial Code or other applicable federal or state law. I will be obligated to make the property available to you at a reasonably convenient place and time. I agree that you are then authorized to take possession of the collateral and sell it as provided under the terms of the Uniform Commercial Code or other applicable federal or state law. I agree that written notice sent to my address on the face of the note by first class mail ten (10) days in advance of any such sale will be reasonable notice.
- 16. WAIVER:** To the extent permitted by law, I waive presentment, demand for payment, protest and notice of dishonor. No waiver of a default shall be deemed a waiver of any other or later default. If under the terms of this Loan, a security interest would be created in a principal dwelling used by me or any other person as a home, you waive the security interest so created unless you have given an appropriate opportunity to rescind and the owner of the property has not exercised that right.
- 17. PURCHASE MONEY LOAN:** If this is a purchase money loan, you may include the name of the seller on the check or draft for this loan.
- 18. FINANCING STATEMENT:** I authorize you to file a financing statement describing the secured property and any other liens held by you. I represent and warrant that my exact legal name and address of legal residence is set forth on the first page of this Loan.
- 19. SECURED BY REAL ESTATE OR RESIDENCE:** If this Loan is secured by real estate or a residence that is personal property, a default and your remedies for default will be determined by the terms of any separate document creating the security interest, applicable federal or state law, and, to the extent permitted by law and not contrary to the terms of the separate security document, by this Loan.
- 20. ATTORNEY'S FEES AND COLLECTION COSTS:** In the event of default, I agree to pay all reasonable costs you incur to collect on this Loan, including attorney's fees, court costs, and other legal expenses.
- 21. GOVERNING LAW:** This Loan shall be governed by the laws of the State of Tennessee and the United States of America.

Initials  
SW

of Furnishing Negative Credit Information

I may report information about my loan account to credit bureaus. Late payments, missed payments, or other defaults on my account may be reflected in my credit report.

Third Party Agreement

I own the Property described in the Security section of this Note and Security Agreement and I agree to give you a security interest in that Property. I am not personally liable for payment of this debt. If the Borrower defaults, my interest in the secured Property may be used to satisfy the Borrower's debt. By signing, I agree to the terms of this Note and Security Agreement and acknowledge receipt of a complete copy of this Loan.

\_\_\_\_\_(Seal) \_\_\_\_\_(Seal)  
Date Date  
\_\_\_\_\_(Seal) \_\_\_\_\_(Seal)  
Date Date

**CO-SIGNERS:** As a co-signer I agree that I must pay this note if it is not otherwise paid by Borrower when due. I understand that you may sue any co-signer separately or jointly, and you do not have to notify me if this note is not paid in a timely manner. The obligations of the co-signers executing this Loan shall not be affected by any discharge in bankruptcy granted to one or more Borrowers or co-signers of this Loan.

Notice to Co-Signer

You (the Co-Signer) are being asked to guarantee this debt. Think carefully before you do. If the Borrower does not pay the debt, you will have to. Be sure you can afford to pay if you have to, and that you want to accept this responsibility.

You may have to pay up to the full amount of the debt if the Borrower does not pay. You may also have to pay late fees or collection costs, which increase this amount.

The Bank can collect this debt from you without first trying to collect from the Borrower. The Bank can use the same collection methods against you that can be used against the Borrower, such as suing you, garnishing your wages, etc. If this debt is ever in default, that fact may become part of your credit record.

This Notice is not the contract that makes you liable for the debt.

X \_\_\_\_\_ X \_\_\_\_\_  
Co-Signer Signature or Initials Co-Signer Signature or Initials

FTC NOTICE

IF APPLICABLE, ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

Signatures

By signing under seal, I agree to the terms of this Loan and also acknowledge receipt of a copy of this Multipurpose Note and Security Agreement.

Living The Dream-Independent Living For Seniors, Inc.  
BY: [Signature] 10/25/10  
BORROWER: Wendy Askins, Chairperson Date

Living The Dream-Independent Living For Seniors, Inc.  
BY: [Signature] 10-25-10  
BORROWER: Larry Webb, Director Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Minutes  
Cumberland Area Investment Corporation  
Board of Directors Minutes  
July 11, 2011**

The Cumberland Area Investment Corporation Board of Directors met on July 11, 2011 at the Upper Cumberland Development District. The roll was called and a quorum was declared.\*

Larry Webb announced that Gary Askins, Wendy's ex-husband and Anna Marie's dad, had a massive heart attack and passed away last Friday. Please remember them in your thoughts and prayers.

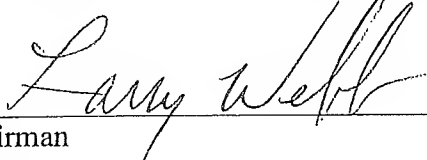
A motion was made by John Pelham to approve the minutes of the April 12, 2011 CAIC Board of Directors meeting. Michael Nesbitt seconded the motion. Motion carried unanimously.

Larry Webb reported on a loan request for Living the Dream Retirement Living for Seniors, Inc. The residence is approximately 6,500 square feet and was bought at auction last year. The kitchen has been renovated with a commercial kitchen. There are two buildings behind the facility which has ten units in each side and two apartments in the residence. The facility is for 55 years and older. It is currently set up as a group home and may advance to an assisted living. The basis budget to live at the residence is \$1,200 a month. The parking lot out front of the residence is not completed. The atrium needs to be built and the sidewalks installed. The total project is \$1,508,000. At present there is a loan balance of \$731,000 with a line of credit of \$750,000 at Bank of Putnam County with a first lien on the property; First National Bank loan of \$128,000; and \$424,000 in equity for the project. Loan request from CAIC is \$225,000 with a second lien behind Bank of Putnam County. John Pelham made a motion to approve the loan as presented. Michael Nesbitt seconded the motion. Motion carried. Larry Webb abstained.

Michael Nesbitt made a motion that a complete appraisal be done and brought back to the CAIC Board of Directors after the project is finished. Frank Smith seconded the motion. Motion carried unanimously.

Earl Carwile reported on a loan request to Gordonsville Drugs. CAIC originally financed \$264,000 and current balance is \$239,000. The business is expanding by 2,920 square feet and consists of a pharmacy and a physician. The original loan created fifteen jobs. The expansion will add a pediatrician fulltime and create an additional 5-6 new jobs. Loan request from CAIC is \$270,000. CAIC will have a second lien behind the bank. Michael Nesbitt made a motion to approve the loan request for \$270,000; with life insurance on Travis and Amy Dudney; and CAIC will not require a cosigner of his father. Mike Foster seconded the motion. Motion carried unanimously.

There being no further business to discuss Mike Gannon made a motion to adjourn. Kenneth Carey seconded the motion. Motion carried unanimously.

  
Chairman

**CAIC Board of Directors Present:**

Larry Webb	Kenneth Carey, Jr.
Mike Gannon	John Cason
Mike Foster	Johnie Neal
Michael Nesbitt	John Pelham
Frank Smith	

Date July 7, 2011

INTERMEDIARY RELENDING PROGRAM FUND

CAIC Loan Application

I. INFORMATION ON ULTIMATE RECIPIENT

- A. Name of Business Concern (SBC)  
Living the Dream Retirement Living for Seniors, Inc.
- B. Address of SBC:  
1125 Deer Creek Drive
- C. Address of Project (If different than B, Explain):  
\_\_\_\_\_
- D. City, State, Zip Code:  
Cookeville, TN 38506
- E. Name of Principal in Charge of SBC:  
Wendy Askins
- Telephone Number: 931-261-6273
- F. Type of Business: \_\_\_\_\_ Date Established: 1-Jan-11  
Home for the Aged
- G. Employer I. D. Number:  
45-0927941
- H. Bank of Account:  
Bank of Putnam County

II. PROJECT INFORMATION

- A. Brief Project Description:
- Living the Dream Retirement Living for Seniors, Inc. (LTD) is an independent living facility for seniors and disabled persons in the Upper Cumberland. LTD will provide safe, affordable housing, including meals and linen service in a pleasant atmosphere for senior living. This facility consists of 22 units, each with one bedroom, a private bath, and a sitting area. There is a large patio, a walkway, a flower garden and farm animals available offering a variety of outside therapeutic activities. Our goal is to provide a supportive, nurturing environment for those who otherwise could not afford it.

B. Total Project Cost:

\$1,508,332

C. Job Impact

1. No. Existing

2. No. Created

3. Total

0

5

5

D. Projected Use of Funds (Attached Itemized List)

1. Land Acquisition:

\$                     

2. Land Improvement

\$                     

3. Purchase and/or Remodel:

\$                     859,332

4. New Construction:

\$                     649,000

5. Purchase and/or Repair

Machinery and Equipment:

\$                     

6. Purchase Furniture and Fixtures:

\$                     

7. Other Contingencies

\$                     

8. Total Project Cost:

\$                     1,508,332

III. PROJECT FINANCING

A. Source and Use of Funds

	<u>USE</u>		<u>SOURCE</u>		
	Senior Lender	IRP	RLF	Other/ Equity	Total
1. Land	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>          424,000          </u>	<u>          424,000          </u>
2. Building	<u>          390,000          </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>          390,000          </u>
3. Renovation	<u>          469,332          </u>	<u>                    </u>	<u>          225,000          </u>	<u>                    </u>	<u>          694,332          </u>
4. M & E working	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
5. Capital	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
6. Total	<u>          859,332          </u>	<u>                    </u>	<u>          225,000          </u>	<u>          424,000          </u>	<u>         1,508,332          </u>

#### IV. A. Loan Request Summary

	Bank of Putnam	First National	RLF	Other / Equity	Total
1. Amount	731,000	128,000	225,000	424,000	1,508,000
2. Term (Yrs)					
3. Rate (%) Annual Debt					
4. Service					
5. Collateral					
CAIC					
6. Guarantee					

### B. Summary of Collateral

	Present Market Value	Present Mortgage Value	Cost Less Depreciation
1. Land			
2. Building			
3. M & E			
4. Furnishing / Fixtures			
Collateral to be			
5. Purchased			
6. Total Collateral	1,508,332	859,332	

I attest the above to be true to the best of my knowledge:

Larry Webb  
Signature

Date 7-Jul-11

## PROMISSORY NOTE

\$225,000.00

August 9, 2011

For value received, the undersigned, **Living the Dream/Retirement Living for Seniors, Inc.**, sometimes hereinafter referred to as "Maker", promises to pay to the order of **Cumberland Area Investment Corporation**, a Tennessee nonprofit corporation, at its office at 1225 South Willow Avenue, Cookeville, TN 38506, or at Holder's option, at such other place as may be designated from time to time by the Holder, Two Hundred Twenty-Five Thousand and no/100 (\$225,000.00) Dollars, with interest on unpaid principal at the rate of Four and one-half (4.5%) percent per annum from August 9, 2011. Payment of this promissory note shall be made as follows:

- (a) All interest that accrues for the first year shall be added back to the principal on August 9, 2012 and shall become part of the principal for a new principal balance of Two Hundred Thirty-Five Thousand One Hundred Twenty-Five and 00/100 (\$235,125.00); and
- (b) Thereafter, payments on the new principal balance shall be made in one hundred eighty (180) equal monthly installments of One Thousand Seven Hundred Ninety-Eight and 69/100 (\$1,798.69) Dollars each. All payments shall be applied first to interest then to principal. The first monthly installment shall be due and payable on September 9, 2012, and installments shall continue on the 9th day of each month thereafter until August 9, 2027, when the entire remaining balance, both principal and interest will be due and payable in full.

In the event of default hereunder, Maker agrees, in addition to the payments described herein, to pay all costs of collection and a reasonable attorney's fee for services rendered in connection therewith.

Payment of the entire outstanding balance may be made prior to the maturity date hereof. There shall be no penalty of interest for early payoff of this Note.

The term "indebtedness" as used herein shall mean the indebtedness evidenced by this Note, including principal, interest, servicing charges and expenses, whether contingent, now due or hereafter to become due and whether heretofore, herewith or hereafter contracted. The term "Collateral" as used in this Note shall mean any funds, guaranties, or other property or rights therein of any nature whatsoever or the proceeds thereof which may have been, are, or hereafter may be hypothecated, directly or indirectly by the undersigned or others, in connection with, or as security for, the Indebtedness or any part thereof. The Collateral, and each part thereof, shall secure the Indebtedness and each part thereof. The covenants and conditions set forth or referred to in any and all instruments of hypothecation constituting the Collateral are hereby incorporated in this Note as covenants and conditions of the undersigned with the same force and effect as though such covenants and conditions were fully set forth herein. The term "Holder" as used herein shall mean the Cumberland Area Investment Corporation and its assigns and successors.

The Indebtedness shall immediately become due and payable, upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the undersigned or for any of its property, or upon the filing of a petition by or against the undersigned under the provisions of any State or Federal insolvency law or under the provisions of the United States Bankruptcy Code or upon the making by the undersigned of an assignment for the benefit of its creditors. The Holder is authorized to declare all or any part of the Indebtedness immediately due and payable upon the happening of any of the following events: (1) Failure to pay any part of the Indebtedness when due; (2) Nonperformance by the undersigned of any agreement with, or any condition imposed by Holder with respect to the Indebtedness; (3) Holder's discovery of the undersigned's failure in any application of the undersigned to Holder to disclose any fact deemed by Holder to be material or of the making thereof or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the indebtedness, or any misrepresentation by, on behalf of, or for the benefit of the undersigned; (4) The reorganization (other than a reorganization pursuant to any of the provisions of the United States Bankruptcy Code) or merger or consolidation of the undersigned (or the making of any agreement therefore) without the prior written consent of Holder; (5) The undersigned's failure duly to account, to Holder's satisfaction, at such time or times



as Holder may require, for any of the Collateral, or proceeds thereof, coming into the control of the undersigned; or (6) The institution of any suit affecting the undersigned and not dismissed within thirty (30) days and reasonable deemed by Holder to affect adversely its interest hereunder in the Collateral or otherwise. Holder's failure to exercise its rights under this paragraph shall not constitute a waiver thereof.

Upon the nonpayment of the Indebtedness, or any part thereof, when due, whether by acceleration or otherwise, Holder is empowered to sell, assign, and deliver the whole or any part of the Collateral at public or private sale. After deducting all expenses incidental to or arising from such sale or sales, Holder may apply the residue of the proceeds thereof to the payment of the Indebtedness, as it shall deem proper, returning the excess, if any, to the undersigned. The undersigned hereby waives all statutory right of redemption under TCA Section 66-8-101 or appraisal whether before or after sale.

Holder is further empowered, to collect or cause to be collected or otherwise to be converted into money all or any part of the Collateral, by suit or otherwise, and to surrender, compromise, release, renew, extend, exchange, or substitute any item of the Collateral in transactions with the undersigned or any third party, irrespective of any assignment thereof by the undersigned. Whenever any item of the Collateral shall not be paid when due, or otherwise shall be in default, whether or not the indebtedness, or any part thereof, has become due, Holder shall have the same rights and powers with respect to such item of the Collateral as are granted in respect thereof in this paragraph in case of nonpayment of the Indebtedness, or any part thereof, when due. None of the rights, remedies, privileges, or powers of Holder expressly provided for herein shall be exclusive, but each of them shall be cumulative with and in addition to every other right, remedy, privilege, and power now or hereafter existing in favor of Holder, whether at law or in equity, by statute or otherwise.

The undersigned waives presentment, protest and demand, notice of protest, demand, and dishonor and nonpayment of this note.

The undersigned agrees to take all necessary steps to administer, supervise, preserve, and protect the Collateral; and regardless of any action taken by Holder, there shall be no duty upon Holder in this respect. The undersigned shall pay all expenses of any nature, whether incurred in or out of court, and whether incurred before or after this Note shall become due at its maturity date or otherwise, including, but not limited to, reasonable attorney's fees and costs, which Holder may deem necessary or proper in connection with the satisfaction of the Indebtedness or the administration, supervision, preservation, protection of (including, but not limited to, the maintenance of adequate insurance) or the realization upon the Collateral. Holder is authorized to pay at any time and from time to time any or all of such expenses, add the amount of such payment to the amount of the Indebtedness, and charge interest thereon at the rate specified herein with respect to the principal of this Note.

The security rights of Holder and its assigns hereunder shall not be impaired by Holder's sale, hypothecation or rehypothecation of any note of the undersigned or any item of the Collateral, or by any indulgence, including but not limited to (1) Any renewal, extension, or modification which Holder may grant with respect to the Indebtedness or any part thereof, or (2) Any surrender, compromise, release, renewal, extension, exchange, or substitution which Holder may grant in respect of the Collateral, or (3) Any indulgence granted in respect to any endorser, guarantor, or surety. The purchaser, assignee, transferee, or pledgee of this Note, the Collateral, any guaranty, and any other document (or any of them), sold, assigned, transferred, pledged, or repledged, shall forthwith become vested with and entitled to exercise all of the powers and rights given by this Note and all applications of the undersigned to Holder or its assignee.

Signed this August 9, 2011.

Living the Dream/Retirement Living for  
Seniors, Inc.

By: 

Larry Webb, President

THIS INSTRUMENT PREPARED BY:

Don O. Johnson, Attorney  
O'Mara & Johnson, P.L.L.C.  
317 West Spring Street  
Cookeville, TN 38501

**DEED OF TRUST**

MAXIMUM PRINCIPAL INDEBTEDNESS FOR TENNESSEE RECORDING TAX PURPOSES IS  
\$225,000.00.

THIS DEED OF TRUST IS A "CONSTRUCTION MORTGAGE," AS DEFINED IN TENN. CODE ANN. § 47-9-334, OR IS GIVEN TO REFINANCE A CONSTRUCTION MORTGAGE.

THIS DEED OF TRUST is made in Cookeville, Tennessee, on the 9th day of August, 2011, **AMONG:**

**LIVING THE DREAM/RETIREMENT LIVING FOR SENIORS, INC.,** a Tennessee non-profit corporation, hereinafter referred to as "Grantor" which references shall thereby mean each of the aforementioned jointly and severally) **AND**

**EARL CARWILE**, an individual having his place of residence in Overton County, Tennessee, (hereinafter referred to as "TRUSTEE") **AND**

**CUMBERLAND AREA INVESTMENT CORPORATION**, the beneficiary, a corporation organized under the laws of the State of Tennessee and having its principal office in Cookeville, Tennessee, (hereinafter referred to as "Lender").

**IN CONSIDERATION OF** the indebtedness directly and/or indirectly secured hereby and the trust herein created, Grantor irrevocably grants and conveys to Trustee, in trust, with power of sale, all of Grantor's right, title and interest in and to the following described real property:

Lying and being in the Twentieth Civil District of Putnam County, Tennessee, and being more particularly described as follows:

Beginning at a ½" rebar (old) in the west margin of Deer Creek Road, being the northeast corner of Lot 35, Deer Run Subdivision (James Bartlett), also being the corner of Bartlett; thence leaving the west margin of Deer Creek Road and with the north line of Lot 35, Deer Run Subdivision (James Bartlett) N 74° 34' 04" W 190.00' to a ½" rebar (old), being the northwest corner of Lot 35, Deer Run Subdivision (James Bartlett); thence severing the land of Bartlett N 74° 34' 04" W 288.40' to a ½" rebar (old) in the east line of Lot 25, Deer Run Subdivision (Phyllis Bradley); thence with the east line of Lot 25, Deer Run Subdivision (Phyllis Bradley), and the east line of Lot 24, Deer Run Subdivision (James Bartlett) N 22° 26' 25" E 239.03' to a ½" rebar (new), being the northeast corner of Lot 24, Deer Run Subdivision (James Bartlett), also being the southeast corner of Lot 23, Deer Run Subdivision (James Bartlett); thence with the east line of Lot 23, Deer Run Subdivision (James Bartlett), Lot 22, Deer Run Subdivision (James Bartlett), Lot 21, Deer Run Subdivision (James Bartlett), Lot 20, Deer Run Subdivision (Anna Coffman), Lot 19, Deer Run Subdivision (Charles Stewart), and Lot 18, Deer Run Subdivision (Edward Frazier) N 10° 46' 58" E 604.60' to a ½" rebar (old), being the northeast corner of Lot 18, Deer Run Subdivision (Edward Frazier); thence severing the land of James Bartlett N 10° 46' 58" E 26.78' to a ½" rebar (new), being the southwest corner of Dennis Bartlett; thence with the south line of Dennis Bartlett S 86° 38' 01" E 543.22' to a ½" rebar (new), being a common corner of Dennis Bartlett, Linda Sue Brown, John & Martha Schmidt, and James Bartlett; thence with a west line of John & Martha Schmidt and the east margin of a 30' permanent access easement S 15° 39' 06" W 812.98' to a ½" rebar (new) in the north margin of a cul-de-sac (Deer Creek Road), being a corner of John & Martha Schmidt; thence with the north margin of said cul-de-sac (Deer Creek Road) around a curve to the left an arc distance of 126.61' (Radius-50.00') to a point in the west margin of Deer Creek Road; thence with the west margin of said

road S 15° 25' 56" W 75.84' to the beginning. Containing 10.52 acres, more or less, as surveyed by Bartlett Surveying, 214 East Stevens Street, Cookeville, Tennessee, 38501, Alfred M. Bartlett, and R.L.S. #762, on February 24, 2005.

This property is conveyed subject to the following matters of record in the Register's Office of Putnam County, Tennessee:

1. Possibly a U.C.E.M.C. easement as shown in Warranty Deed Book 310, page 756.
2. Restrictions of record in Record Book 587, page 544.

The previous and last conveyance and/or Grantor's source of equitable interest for the property hereinabove described is: By a Quitclaim Deed from Living the Dream/Independent Living for Seniors, Inc. to Living the Dream/Retirement Living for Seniors, Inc. recorded in Record Book 650, page 532 in the Register's Office for Putnam County, Tennessee.

SOURCE OF DESCRIPTION: This is the same description as the previous and last conveyance.

Together with all the improvements now being or hereafter erected on the property and all rights, hereditaments, easements and appurtenances in any way connected therewith or belonging thereto, and all rents, profits and/or condemnation or other proceeds derived therefrom, and all fixtures now or hereafter attached thereto, all of the foregoing which shall be deemed to be a part of the property covered by this Deed of Trust and all of which shall be hereinafter referred to collectively as the "Property".

**TO HAVE AND TO HOLD** the property to the said Trustee, his successors, assigns and successors-in-trust forever.

**IN TRUST TO SECURE** to Lender any amount which is now due or which may hereafter become due, and even though no advance is made at the time of the execution of this instrument, and even though no indebtedness is outstanding at the time any advance is made, and in any connection with any of the following or any renewals or extensions thereof or substitutions therefor:

1. A Note payable to Lender in the amount of **\$225,000.00**, dated August 9, 2011, executed by Living the Dream/Retirement Living for Seniors, Inc. (hereinafter called "Borrower" if a different persons or entity than Grantor) and being due and payable on August 9, 2027. It is recognized by the parties hereto that regardless of the stated maturity date of the obligation secured hereby, subject to the mutual consent of the parties, said obligation may be renewed and refinanced and evidenced by new and subsequent instruments which would be payable as stated therein. Additionally, the parties hereto acknowledge the provisions contained herein whereby obligations other than the foregoing may be secured by this Deed of Trust, and it is recognized that such obligations would be payable upon such terms as were determined at a later date. In contemplation of all these possibilities, the parties hereto hereby expressly indicate their intention that this Deed of Trust have a **final maturity date of August 9, 2037**; and
2. The payment of all other sums advanced toward prior or superior liens, or otherwise to protect the security of this Deed of Trust, together with interest thereon; and
3. The performance of the covenants and agreements of Grantor herein contained; and
4. The payment of any and all other indebtedness, whether direct or indirect, regardless of the class of the other indebtedness, be it secured or unsecured, now or hereafter owing to Lender by Grantor, (or if Grantor is more than one party then by any one or more thereof) notwithstanding the manner, if any, in which any of such indebtedness is evidenced, except any indebtedness subject to the disclosure requirements of the Federal Truth-in-Lending Act if at such time such indebtedness is incurred any legally required disclosure of the lien afforded hereby shall not have been made.

**GRANTOR, TRUSTEE AND LENDER AGREE AS FOLLOWS:**

**GENERAL WARRANTIES.** Grantor covenants that at and until the recording hereof, Grantor is well seized of the Property as a good and indefeasible fee simple estate, in peaceable possession thereof, and has good right to convey the same in manner and form as written herein and that the property is unencumbered except as specifically noted in this Deed of Trust, and that subject to any liens specified hereinafter Grantor will WARRANT AND DEFEND generally the title to the Property unto the Trustee, his successors in trust and assigns forever against all lawful claims and demands whatsoever.

**PRIOR LIENS.** The Property is subject to the following liens (if any are listed) which by their inclusion herein are warranted by Grantor to be the only liens upon the Property which are superior to the lien created by this Deed of Trust:

**THERE ARE NO PRIOR LIENS ENCUMBERING THE PROPERTY, EXCEPT AS FOLLOWS: OR AND THE LIEN OF THIS DEED OF TRUST IS WARRANTED BY THE GRANTOR TO BE A FIRST MORTGAGE LIEN UPON THE PROPERTY DESCRIBED HEREIN, except for a Deed of Trust to Bank of Putnam County recorded in Record Book 587, page 547, Register's Office for Putnam County, Tennessee.**

**PAYMENT OF PRINCIPAL AND INTEREST.** Grantor shall promptly pay when due all principal and interest due on any indebtedness secured by this Deed of Trust. Grantor shall also pay when due any indebtedness which is secured by any lien prior in right to this Deed of Trust.

**TAXES, INSURANCE AND OTHER CHARGES.** Grantor shall pay all taxes, assessments, insurance premiums and other charges, fines and impositions attributable to the Property by making payment, when due, directly to the payee thereof.

**APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender under this Deed of Trust and the obligation secured hereby shall be applied by Lender first to interest payable on the obligation then to the principal of the obligation, then to all other indebtedness incurred pursuant to the terms of the Deed of Trust, and then to interest and principal any Future Advances secured hereby.

**HAZARD INSURANCE.** Grantor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, and all hazards included within the term "extended coverage", and against such other losses as Lender may require, all in such amounts and for such periods as Lender may require; provided, that lender shall not require the amount of such coverage to exceed the amount required to pay all sums secured by this Deed of Trust, after accounting for payment of any prior liens, Grantor shall provide, or cause to be provided, to Lender, evidence of such insurance together with appropriate loss payable clauses in favor of Lender as its interest may appear with respect to each insurable property or part thereof. Any proceeds which may be paid to Lender under any such insurance policy may be applied by Lender to any obligation secured hereby in accordance with the provisions stated hereafter in this Deed of Trust.

**MAINTENANCE AND INSPECTION OF PROPERTY.** Grantor shall keep the Property in good repair, shall not commit waste or permit impairment or deterioration of the Property. Grantor will neither cut timber nor arrange or allow the removal of any improvements from the property without the advance written permission of Lender. Grantor will permit Lender to enter upon and inspect the Property at any reasonable time or times without giving any notice of intention to do so.

**PROCEEDS FROM SALE, CONDEMNATION OR INSURANCE.** Without limitation, the lien of this Deed of Trust shall extend to the interest of Grantor in the proceeds from any sale of the Property, including, without limitation, the proceeds from sale by foreclosure of any prior encumbrance to the extent that such proceeds exceed the amount necessary to satisfy such prior encumbrance. The Trustee in any such sale or foreclosure is hereby directed to pay such excess proceeds to the holder of the indebtedness secured hereby to the extent necessary to retire the indebtedness, and to that end, the said Trustee is hereby authorized and given a power of attorney to endorse any checks representing proceeds of such a sale. The proceeds of any award or claim for damages either in connection with any loss against which the Property or any part thereof is insured, or of or from any condemnation or other taking of the Property or any part of the Property or for conveyance in lieu of condemnation, are hereby assigned to Lender and shall be paid directly to Lender. Unless Lender and Grantor otherwise agree in writing, any application of such proceeds to principal shall be in the inverse order of its maturity and without further effect beyond reducing the outstanding unpaid balance of the obligation secured by this Deed of Trust.

**PROTECTION OF LENDER'S SECURITY.** If Grantor fails to perform the covenants and agreements contained in this deed of Trust or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, arrangements or proceedings involving a bankrupt or decedent, or the enforcement of a prior lien against the Property, then Lender at Lender's option, upon notice to Grantor, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest hereunder, including, but not limited to, disbursements for reasonable attorney's fees and for repairs made to the Property, and disbursements to remove any prior liens. Any amounts disbursed by Lender pursuant to this paragraph, with interest thereon, shall become additional indebtedness of Grantor secured by this Deed of Trust. Unless Grantor and Lender agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Grantor, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the loan. If payment of interest at such rate would be contrary to applicable law, such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.

**ASSIGNMENT OF RENTS; RIGHTS TO POSSESSION.** As additional security for the repayment of the Indebtedness, Borrower hereby assigns to Lender all rents, income or profits derived from the Property.

In the event of default hereunder, as set forth herein, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to take possession of and manage the Property and to collect all rents, income and other profits derived from the Property, including amounts past due. Borrower agrees to relinquish peaceful possession to Lender. All rents, income and profits collected by the Lender or receiver shall be applied first to payment of the cost of management of the Property and collection of the rents, income and profit, including, but not limited to, the cost of receiver's fees, premiums or receiver's bonds, and reasonable attorneys' fees. The rents, income, and profits shall then be applied to the Indebtedness secured by this Deed of Trust. Lender shall be liable to account only for the net rents actually received.

In connection with this Assignment of Rents, Borrower agrees to comply with all terms imposed upon it as lessor under any lease covering any part of the Property. Should Borrower default under any such lease, Lender may take whatever action it deems desirable to prevent or cure the default by Borrower. Lender shall have the right to enter upon the property as often as it desires in order to prevent or cure any such default. In attempting to prevent or cure any such default, Lender may spend such sums of money as it deems necessary and Borrower hereby agrees to pay Lender immediately upon demand all sums so expended by Lender, together with interest from the date of payment by Lender at the highest lawful rate then in effect under applicable law. Such sums, and the interest thereon, shall become additional Indebtedness secured by this Deed of Trust.

**UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.** This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Instrument or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as a part of the Property. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals, and amendments thereof, and reproductions of this Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in this Instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in this Instrument.

**PRIORITY OF THIS DEED OF TRUST; FUTURE ADVANCES; EXTENSIONS; MODIFICATIONS AND RENEWALS.** Any portion of the Indebtedness advances after the execution of this deed of Trust shall be defined as a Future Advance. This section shall serve as notice to any subsequent encumbrance of the Property that Lender claims the priority of the lien of this Deed of Trust for all such Future Advances, as well as for all other obligations secured hereby. This section shall also be notice that Lender reserves the right to modify, extend, consolidate, and renew the Indebtedness, or any portions thereof, and the rate of interest charged thereon, without affecting the priority of this Deed of Trust.

**LOAN AGREEMENT.** Borrower agrees to comply with the covenants and conditions of any Loan Agreement executed in connection with the indebtedness secured hereby, which is hereby incorporated by reference in and made a part of this Instrument. All advances made by Lender pursuant to the Loan Agreement shall be indebtedness of Borrower secured by this Instrument. All sums disbursed by Lender to protect the security of this Instrument shall be treated as disbursements pursuant to the Loan Agreement. All such sums shall bear interest from the date of disbursement at the highest rate allowed by applicable law, provided that if no highest rate is prescribed by applicable law such amounts shall bear interest at the rate provided in the Note and shall be payable upon notice from Lender to Borrower requesting payment therefore.

From time to time as Lender deems necessary to protect Lender's interest, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims that relate to construction on the Property and which Borrower may have against any party supplying or who has supplied labor, materials or services in connection with construction on the Property. In case of breach by Borrower of the covenants and conditions of the Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, may invoke any of the rights or remedies provided in the Loan Agreement, and may accelerate the sums secured by this Instrument and invoke those remedies provided in this Instrument.

**HAZARDOUS WASTE.** Borrower hereby agrees to indemnify Lender and hold Lender harmless from any against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever, paid, incurred or suffered by, or asserted against, Lender for, with respect to, or as a result of any of the following:

(i) The presence on or under or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Property or any part thereof or any other real property legally or beneficially owned (or any interest or estate in which is owned) by Borrower or any affiliate or associate of Borrower of any Hazardous Material including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the Environmental Laws; or

(ii) Any liens against the Property or any part thereof or any interest or estate in any part thereof, created, permitted or imposed by the Environmental Laws, or any actual or asserted liability or obligations of Borrower or any affiliate or subsidiary of Borrower under the Environmental Laws.

**TRANSFER OF PROPERTY.** If Grantor shall sell or transfer (or enter into any contract or agreement to sell or transfer) all or any part of the Property or any interest therein, without the prior written consent of the Lender or other holder of the obligation secured by this Deed of Trust, then the Lender or other holder may, at lender or other holder's option, declare all sums secured by this Deed of Trust to be immediately due and payable. Lender or other holder shall have waived such option to accelerate if, prior to the sale or transfer, Lender or other holder and the person to whom the property is to be sold or transferred reach an agreement in writing that the credit of such person is satisfactory to lender or other holder and that the interest payable on the sums secured by this Deed of Trust shall be at such rate as Lender or other holder shall request and that the proposed sale or transfer will in all other ways be satisfactory with the Lender or other holder upon its final consummation.

**DEFAULT; ACCELERATION; REMEDIES.** If Grantor shall pay the indebtedness hereby secured when due, according to its terms, shall pay promptly all taxes, assessments, ground rents, and other charges against Property when due, shall keep up repairs, and shall keep the Property insured as provided herein, and shall pay any and all other sums when due, as herein provided, then this trust conveyance shall be of no further force or effect. In such case, Lender shall execute and record a release of this Deed of Trust at the Grantor's expense. But this trust conveyance shall remain in full force and effect, and, at the option of the lawful owner and holder of the

indebtedness secured hereby, all remaining unpaid indebtedness secured by this Deed of Trust and all installments thereof, shall be due and payable at once, without notice upon any of the following events:

1. Failure by Grantor to pay the indebtedness secured hereby when due according to its terms, or failure to pay all other sums when due as required herein;
2. Breach by Grantor of any covenant or agreement of Grantor in this Deed of Trust;
3. The sale or other conveyance of the Property without the prior written consent of Lender as required by the paragraph above headed "Transfer of the Property."
4. Default by Grantor under any loan or other agreement, entered into with Lender in connection with the indebtedness secured hereby;
5. Default by Grantor on any obligation secured by a lien prior in right to the lien of this Deed of Trust;
6. The insolvency of Grantor, or the commencement of proceedings under any bankruptcy, reorganization, insolvency, moratorium or other law or laws for the relief of Debtors or related to debtors, whether commenced by Grantor or some other party, included, without limitation, the appointment of a receiver, trustee, or liquidator over Grantor or any of Grantor's property.

In the event of default as set forth above, said Trustee or his successor in trust, is hereby authorized and empowered, upon giving twenty (20) days' notice by three (3) publications for successive weeks in any newspaper of general circulation published in the county wherein the property is located and as may otherwise be required by the laws of the State of Tennessee, to sell the property, or any part thereof, at the Courthouse door in the county where the said property is located to the highest bidder for cash, at public outcry, free from the statutory right or redemption, the equity of redemption, the exemptions of homestead, dower and all other exemptions of every kind, all of which are hereby expressly waived. The Trustee or his successor in trust is further authorized and empowered to execute and deliver a deed to the purchaser at such sale. The purchaser at such sale shall be entitled to immediate possession of the Property upon the delivery to purchaser by Trustee of a deed for the Property. Prior to such sale, Trustee may enter and take possession of the Property, in which case, Trustee shall be accountable to grantor only for net rents actually received by Trustee. In case of sale hereunder, the proceeds will be applied by Trustee as follows:

- FIRST: To pay all costs and charges of executing this trust, including attorney's fees and expenses of any litigation which may arise on account of the execution any enforcement of this trust;
- SECOND: To pay the indebtedness secured hereby, or any balance thereof which remains unpaid at the time of any such application of proceeds;
- THIRD: To such parties as are legally entitled to any remainder.

In the event of a sale of Property under and by virtue of this trust, the said Grantor and all persons holding under Grantor shall be and become tenants at will of the purchaser of the Property, from and after the execution and delivery of a deed to the purchaser, and their tenancy shall be terminated at the option of purchaser upon five (5) days written notice.

It is further agreed that the Trustee, or his successors, may execute the power of sale granted herein and the other powers and rights set forth herein without giving bond or taking oath, and that the Lender, or the lawful owner of any of the indebtedness herein secured, may bid at any sale under said power.

Additionally, if the Grantor shall fail to perform or observe any covenant contained in the Deed of Trust, or if an event of default shall occur under any agreement made by the Grantor, then Lender at its sole option may proceed to enter upon and take possession of the real property described in this Deed of Trust and do all other acts which Lender may deem necessary or proper to protect its collateral.

Neither entry upon and taking possession of the real property described herein shall in any way operate to cure or waive any default under any of the aforesaid loan documents or any other instrument given by Grantor to Lender, or to prohibit the taking of any other action by Lender under any such instrument, at law or in equity, to enforce payment of the indebtedness secured hereby or to realize upon any other security.

Should the Grantor fail to perform or observe any covenant or comply with any condition contained in any prior lien, then Lender, but without obligation to do so and without notice to or demand upon the Grantor or releasing the Grantor from its obligation to do so, may perform such covenant or condition and may appear in and defend any action affecting any prior lien. To the extent that Lender shall incur any costs or pay any monies in connection therewith, including any costs or expenses or litigation, and reasonable attorneys' fees, (whether incurred in litigation or otherwise), then such charges shall be included in the indebtedness secured hereby and shall bear interest from the date incurred or payment made at the rates specified in the loan documents.

**REMEDIES CUMULATIVE.** Every right and remedy provided in this Deed of Trust is distinct from and cumulative to every other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

**FOREBEARANCE BY LENDER NOT A WAIVER.** Any forbearance by Lender in exercising any right or remedy hereunder, or any right or remedy otherwise afforded by law, shall not be a waiver of, or preclude the subsequent exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust because of Grantor's default with regard to those obligations.

**REPAYMENT NOT TERMINATION OF LIEN.** Repayment to Lender of the indebtedness of Grantor secured hereby shall not terminate the lien of this Deed of Trust unless the lien is released at the request of Grantor; otherwise it shall remain in force to secure future advances and indebtedness as herein described, irrespective of any additional security given as to such indebtedness. The lien of this Deed of Trust shall be unaffected by renewals, extensions, or partial releases of any indebtedness secured hereby. **The lien of this Deed of Trust shall be unaffected and of full force and effect even though no advance is made at the time of the execution of this Deed of Trust and even though no indebtedness is outstanding at the time any advance is made.**

**SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL; HEADINGS.** The covenants and agreements herein contained, and the rights hereunder shall inure to the benefit of and shall be binding upon the respective successors and assigns of Grantor, Lender and the Trustee. All covenants and agreements of Grantor shall be joint and several and any reference to Grantor herein shall, if Grantor be more than one, be deemed to be a reference to any one or more thereof at the sole discretion of Lender, and any such construction shall not preclude a different construction in each and every instance which may arise. The headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

**SUBSTITUTE TRUSTEE.** Lender, at Lender's option, may from time to time remove any trustee and may appoint a successor trustee by an instrument recorded in the county in which this Deed of Trust is recorded. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the trustee herein and by applicable law.

**NOTICE.** Except for any notice required under applicable law to be given in another manner, any notice provided for in this Deed of Trust shall be deemed to have been given when mailed by certified mail, return receipt requested, addressed to the appropriate party hereto, at their respective address as follows, or at such other address as may be designated by notice as provided herein:

GRANTOR:  
Living the Dream/Retirement  
Living for Seniors, Inc.  
1125 Deer Creek Dr.  
Cookeville, TN 38501

TRUSTEE:  
Earl Carwile, Trustee  
1225 S. Willow Avenue  
Cookeville, TN 38506

LENDER:  
Cumberland Area Investment  
Corporation  
1225 South Willow Avenue  
Cookeville, TN 38506

**Interest on Delinquent Sums After Bankruptcy.** If Borrower and/or Grantor shall file bankruptcy, the holder of any indebtedness secured hereby, shall be entitled to interest at the rate stated in the instrument(s) secured hereby on the delinquent sum, including without limitation past due monthly payments including principal and interest, late charges, collection expenses and attorney's fees. Said delinquent sum shall be deemed an additional principal



sum secured hereby from the date Borrower and/or Grantor files bankruptcy and interest shall accrue on said delinquent sum until paid in full.

**SEVERANCE OF PROVISIONS.** In the event that any provisions or clauses of this Deed of Trust or any other documents executed in conjunction herein, conflict with any applicable law, the other provisions of this Deed of Trust or those documents shall be given effect as fully as possible without the conflicting provision, and to this end the provisions of this Deed of Trust and those documents are declared to be severable.

**IN WITNESS TO ALL OF THE PROVISIONS HEREOF,** Grantor has executed this Deed of Trust on the date and in the place first written above.

**GRANTOR:**

**LIVING THE DREAM/RETIREMENT  
LIVING FOR SENIORS, INC.**

By: \_\_\_\_\_

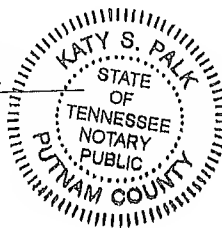
Larry Webb, President

STATE OF TENNESSEE     )  
COUNTY OF PUTNAM     )

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Larry Webb, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be President of Living the Dream/Retirement Living for Seniors, Inc., the within named bargainor, a non-profit corporation, and that he as President being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

Witness my hand and official seal this 9<sup>th</sup> day of August, 2011.

Katy S. Palk  
Notary Public



My Commission Expires: 2-20-13

/ksp

Harold Burris, Register  
Putnam County  
Rec #: 99038     Instrument #: 131525  
Rec'd: 40.00     Recorded  
State: 256.45     8/9/2011 at 2:27 PM  
Clerk: 1.00     in Record Book  
Other: 2.00     650  
Total: 299.45     Pgs 535-542

Cumberland Regional Development Corp  
225 S Willow Ave  
Cookeville TN 38506

First National Bank of Tennessee  
Cookeville - South Jefferson  
412 South Jefferson Avenue  
Cookeville, Tennessee 38501

Loan Number [REDACTED]  
Date 04/28/2011  
Maturity Date 12/13/2012  
Loan Amount \$ 300,000.00  
Renewal Of \_\_\_\_\_

**BORROWER'S NAME AND ADDRESS**  
"I" includes each borrower above, jointly and severally.

**LENDER'S NAME AND ADDRESS**  
"You" means the lender, its successors and assigns.

or value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of THREE HUNDRED THOUSAND  
DOLLARS AND ZERO CENTS Dollars \$ 300,000.00

☐ Single Advance: I will receive all of this principal sum on N/A. No additional advances are contemplated under this note.

☒ Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On 4/28/2011  
I will receive the amount of \$ .00 and future principal advances are contemplated.

Conditions: The conditions for future advances are \_\_\_\_\_

A. Only upon such terms and under such conditions as you may deem appropriate at the time each advance is requested.

☒ Open End Credit: You and I agree that I may borrow up to the maximum principal sum more than one time. This feature is subject to all other conditions and expires on 12/13/2012

☐ Closed End Credit: You and I agree that I may borrow (subject to all other conditions) up to the maximum principal sum only one time.

INTEREST: I agree to pay interest on the outstanding principal balance from 04/28/2011 at the rate of 4.000000 %  
per year until the final payment or maturity date of this note

☐ Variable Rate: This rate may then change as stated below.

☐ Index Rate: The future rate will be N/A the following index rate: \_\_\_\_\_

N/A

N/A

☐ No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.

☐ Frequency and Timing: The rate on this note may change as often as N/A

A change in the interest rate will take effect N/A

☐ Limitations: During the term of this loan, the applicable annual interest rate will not be more than \_\_\_\_\_ % or less than \_\_\_\_\_ %  
The rate may not change more than \_\_\_\_\_ % each \_\_\_\_\_

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:

☐ The amount of each scheduled payment will change.

☐ The amount of the final payment will change.

☐ N/A.

ACCUAL METHOD: Interest will be calculated on a Actual/Actual basis.

OST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:

☒ on the same fixed or variable rate basis in effect before maturity (as indicated above).

☐ at a rate equal to NA

☒ LATE CHARGE: If a payment is made more than 15 days after it is due, I agree to pay a late charge of 5% of the payment

☐ ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which ☐ are ☐ are not included in the principal amount above: N/A

AYMENTS: I agree to pay this note as follows:

☒ Interest: I agree to pay accrued interest 20 Monthly Payment(s) varying from \$493.15 to \$1,019.18 beginning 05-13-2011

☒ Principal: I agree to pay the principal 12-13-2012

Expires 11/9/2001 Form UNSLAZ-TN 11/9/2001

other rights under the law or this security agreement.  
Your failure to perform will not preclude you from exercising any of your  
Your right to perform for me shall not create an obligation to perform and  
without notice to me perform the duties or cause them to be performed.  
any mortgage, deed of trust, lien or other security interest, you may  
If I fail to perform any of my duties under this security agreement, or  
I will immediately inform you of any loss or damage to the Property.  
You have the right of reasonable access in order to inspect the Property.  
I will pay all taxes and charges on the Property as they become due.  
stock of a corporation.  
(3) there is a change in ownership of more than 25 percent of the voting  
beneficial interest in the debtor is sold or transferred, or (2) there is a  
change in the identity or number of members of a partnership, or  
not a natural person and without your prior written consent; (1) a  
You may demand immediate payment of the debt(s) if the debtor is  
payment made payable to the order of you and me.  
your written permission to do so. If I sell the Property I will have the  
states. I will not try to sell the Property unless it is inventory or I receive  
Property is to be used in another state, I will give you a list of those

Signed \_\_\_\_\_

Date \_\_\_\_\_

Any person who signs within this box does so to give you a security  
interest in the Property described on this page. This person does not  
promise to pay the note. "I" as used in this security agreement will  
include the borrower and any person who signs within this box.

a minimum price established between you and me.  
If this agreement covers inventory, I will not dispose of it except in an  
ordinary course of business at the fair market value for the Property, or I  
enforce any security interest that secures such obligations, and you may  
persons obligated on the Property, to pay or perform, and you may  
rights with respect to obligations of any account debtors, or other

Cumberland Regional Development	First National Bank of Tennessee	
1225 S Willow Ave	Cookeville - South Jefferson	Line of Credit No. <u>219102127 001</u>
Cookeville TN 38506	412 South Jefferson Avenue	Date <u>4/28/2011</u>
BORROWER'S NAME AND ADDRESS	Cookeville, TN 38501	Max. Credit Amt. <u>\$300,000.00</u>
"I" includes each borrower above, jointly and severally.	LENDER'S NAME AND ADDRESS	Loan Ref. No.
	"You" means the lender, its successors and assigns.	

You have extended to me a line of credit in the AMOUNT of THREE HUNDRED THOUSAND DOLLARS AND ZERO CENTS \$ \$300,000.00.  
 You will make loans to me from time to time until 4:30 P m. on 12/13/2012. Although the line of credit expires on that date, I will remain obligated to perform all my duties under this agreement so long as I owe you any money advanced according to the terms of this agreement, as evidenced by any note or notes I have signed promising to repay these amounts.  
 This line of credit is an agreement between you and me. It is not intended that any third party receive any benefit from this agreement, whether by direct payment, reliance for future payment or in any other manner. This agreement is not a letter of credit.

1. AMOUNT: This line of credit is:

- ☐ OBLIGATORY: You may not refuse to make a loan to me under this line of credit unless one of the following occurs:
- a. I have borrowed the maximum amount available to me;
  - b. This line of credit has expired;
  - c. I have defaulted on the note (or notes) which show my indebtedness under this line of credit;
  - d. I have violated any term of this line of credit or any note or other agreement entered into in connection with this line of credit;
  - e. I have suffered any deterioration in my financial condition as believed or determined by you, in your sole discretion, on the basis of such information as may be available to you from time to time.
- ☒ DISCRETIONARY: You may refuse to make a loan to me under this line of credit once the aggregate outstanding advances equal or exceed ONE DOLLARS AND ZERO CENTS \$ 1.00.

Subject to the obligatory or discretionary limitations above, this line of credit is:

- ☒ OPEN-END (Business or Agricultural only): I may borrow up to the maximum amount of principal more than one time.  
☐ CLOSED-END: I may borrow up to the maximum only one time.

2. PROMISSORY NOTE: I will repay any advances made according to this line of credit agreement as set out in the promissory note, I signed on originating this agreement, or any note(s) I sign at a later time which represent advances under this agreement. The note(s) set(s) out the terms relating to maturity, interest rate, repayment and advances. If indicated on the promissory note, the advances will be made as follows:  
 A. Only upon such terms and under such conditions as you may deem appropriate at the time each advance is requested.

3. RELATED DOCUMENTS: I have signed the following documents in connection with this line of credit and note(s) entered into in accordance with this line of credit:

- ☒ security agreement dated 04/28/2011 ☒ Assignment of Deposit 04/28/2011  
☐ mortgage dated \_\_\_\_\_ ☐ \_\_\_\_\_  
☐ guaranty dated \_\_\_\_\_ ☐ \_\_\_\_\_

4. REMEDIES: If I am in default on the note(s) you may:

- a. take any action as provided in the related documents;
  - b. without notice to me, terminate this line of credit.
- By selecting any of these remedies you do not give up your right to later use any other remedy. By deciding not to use any remedy should I default, you do not waive your right to later consider the event a default, if it happens again.

5. COSTS AND FEES: If you hire an attorney to enforce this agreement I will pay your reasonable attorney's fees, where permitted by law. I will also pay your court costs and costs of collection, where permitted by law.

6. COVENANTS: For as long as this line of credit is in effect or I owe you money for advances made in accordance with the line of credit, I will do the following:

- a. maintain books and records of my operations relating to the need for this line of credit;
- b. permit you or any of your representatives to inspect and/or copy these records;
- c. provide to you any documentation requested by you which support the reason for making any advance under this line of credit;
- d. permit you to make any advance payable to the seller (or seller and me) of any items being purchased with that advance;

e. use all funds advanced under this line of credit for the following and no other purpose(s):

operating capital

7. NOTICES: All notices or other correspondence with me should be sent to my address stated above. The notice or correspondence shall be effective when deposited in the mail, first class, or delivered to me in person.

8. MISCELLANEOUS: This line of credit may not be changed except by a written agreement signed by you and me. The law of the state in which you are located will govern this agreement. Any term of this agreement which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation.

OF LENDER

Larry B. Garrett

title SR Vice-president

SIGNATURES: I AGREE TO THE TERMS OF THIS LINE OF CREDIT. I HAVE RECEIVED A COPY ON TODAY'S DATE.

Larry Webb Executive Director

Wendy Askins Chairperson

Upper Cumberland Development District  
1225 S Willow Ave  
Cookeville TN 38506

Account holder's name and address: "I" means the account holder named above. If there is more than one, "I" means all account holders jointly and each account holder separately.

Date: 04/28/2011

Assignment of deposit or share account: For value received, I assign and transfer to you, and I give you a security interest in the following account(s):

FNB CD # 507 ■ & Money Market acct # 5163 ■

and any renewals or substitutions. These account(s) will be referred to as the collateral in the rest of this agreement. The collateral is held with:

First National Bank of Tennessee  
PO Box 848  
Cookeville, TN 38501

which will be referred to as the depository in the rest of this agreement. The collateral includes all funds now in the accounts listed plus all additions of any kind and from any source, made at any time before the release of this agreement in writing.

Secured debt(s): This agreement is made to secure the payment of:

☐ all present and future debts, of every kind and description which:

may now or hereafter owe to you, no matter how or when these debts arise. (We intend this paragraph to be very broad. For example, "debts" include loans or credit purchases, made by or transferred to you, as well as debts arising from any other relationship such as check overdrafts, forgeries, or returned deposits. These also include debts arising from any capacity [maker, co-maker, endorser, surety, guarantor].) If more than one person or entity is listed, then all joint and separate debts of all those listed are secured.

☒ the following described debt(s), plus all extensions, renewals, modifications and substitutions:

including but not limited to loan 219102127 dated 4/28/11

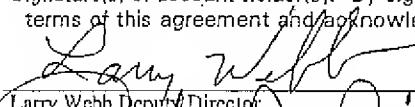
First National Bank of Tennessee  
PO Box 848  
412 South Jefferson Avenue  
Cookeville, Tennessee 38501

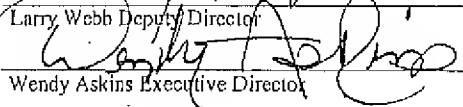
Secured party's name and address: "You" means the secured party named above, your successors and assigns.

Additional terms: The following terms are also part of this agreement:

- (1) This agreement will last until you release it in writing, and you are not required to release it until the secured debts are paid in full.
- (2) While this agreement is in effect, neither I nor anyone else (except you, the secured party) can withdraw all or any part of the collateral.
- (3) No joint owner, beneficiary, surviving spouse or representative of my estate gets any rights in the collateral in the event of my death or incapacity until the secured debts are paid in full.
- (4) You have the right to withdraw all or any part of the collateral and apply the withdrawal toward the payment of the secured debt(s), even if the withdrawal causes a penalty. If a secured debt is in default you can exercise this right without any notice to me or my consent (unless such notice or consent is required by law and cannot be waived). You have the right to sign my name (or sign your name as my attorney in fact) to exercise the rights given to you in this agreement.
- (5) I represent and promise that no other person or entity has any rights in the collateral that have priority over those I am giving you here and that no part of the collateral is exempt or protected by law from this agreement.
- (6) The rights and remedies I am giving you here are in addition to any stated in any other agreements. If there is more than one debt secured, more than one type of collateral (including collateral outside of this agreement) or more than one debtor liable, it is entirely in your discretion as to the order and timing of remedies you select.
- (7) I neither assume nor am excused from personal liability for any of the secured debts merely by making this agreement; my personal liability will be determined by referring to other documents. I do assume personal liability for the warranties and representations made in this agreement.
- (8) A debt secured by this agreement (whether specifically listed or not) includes all sums that could possibly be due under the debt.
- (9) I specifically request and direct the depository to honor and accept this agreement and its terms.

Signature(s) of account holder(s): By signing here we accept the terms of this agreement and acknowledge receipt of a copy.

  
Larry Webb Deputy Director

  
Wendy Askins Executive Director

Notice to depository:

Date: 04/28/2011

To: First National Bank of Tennessee  
412 South Jefferson Avenue  
Cookeville, Tennessee 38501

☐ This confirms our oral notice dated:

Please take notice of this agreement. Please confirm your receipt of this notice and your acceptance of its terms by completing the acknowledgement portion and returning a copy to the secured party.

By:

For the secured party

Acknowledgement by the depository:

Date: 04/28/2011

To: First National Bank of Tennessee  
412 South Jefferson Avenue  
Cookeville, Tennessee 38501

We have received your notice of this agreement. We agree that no account holder or any other person (other than you, the secured party) has any right to make any withdrawals from the collateral until this agreement is released in writing by you.

By:

For the depository

Release by secured party:

Date:

To: First National Bank of Tennessee  
412 South Jefferson Avenue  
Cookeville, Tennessee 38501

This is to advise you that the assignment and security interest in the collateral described above has been released and the original certificate, or passbook or other evidence of the collateral (if any) has been returned to the account holder(s).

By:

For the secured party